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14 May 1969

MEMORANDUM FOR THE RECORD

SUBJECT: Conversation with Mr. Victor Zafra, Bureau of the Budget--
CIA Retirement Act Amendments

1. Yesterday, Mr. Victor Zafra, Bureau of the Budget, suggested to Mr. Maury that we call Mr. M. Levine, Department of Health, Education, and Welfare, if we had any questions concerning Mr. Zafra's request that the Agency submit proposed amendments to the CIA Retirement Act to implement the so-called "transfer of credit" and "minimum guaranteed benefit" proposals (designed to satisfy certain inadequacies in Federal staff retirement systems by pegging minimum benefits to at least social security levels and by transferring employment credits to social security when entitlements do not vest).

2. Consequently, I spoke with Mr. Levine who said he did not need anything from us and would include the CIA Retirement Act along with Foreign Service and Civil Service in the Social Security Act amendments he is drafting to provide for transfer of Federal employment credit to social security. Complementary amendments to the CIA Retirement Act would be required, however, on the "tax equivalent" and the other financing aspect of the transfer of credit proposal.

3. I then called Mr. Zafra and learned that his request for Agency legislation in this respect could in effect be looked upon as the Administration's substitute for the benefit features of the Daniels bill opposed by the Administration and that in this connection the Agency's proposal (presumably Civil Service's and Foreign Service's as well) would be part of the "Administration's program," but not necessarily supported by a Presidential message.

4. I told Mr. Zafra that since the Agency had twice previously taken a position favoring the legislative proposals involved there should be no great problem in submitting the report he had requested, but pointed out that there were other amendments to the CIA Retirement Act which we felt had higher priority. He said he was aware of these amendments and that Roger Jones had given him our package and it was being reviewed informally.

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I asked if any judgment had been formed on the general provision for amendments through administrative initiative following the reorganization plan precedent. He was cognizant of the importance of this provision and repeated the observation made by Roger Jones to Messrs. Houston and Maury on 6 May that this could not be pushed until there was a clear-cut issue arising out of the enactment of new major benefits for the Civil Service retirement system.


5. I asked Mr. Zafra if BOB could carry any weight in urging one committee in each House to assume the responsibility for considering uniform amendments on a complicated measure such as the one in question for all major Federal staff retirement systems, rather than the relatively inefficient and time-consuming process involved through consideration by separate committees. Zafra said there is merit in this approach, but that BOB has little muscle in this area, with the only recourse being individual agency appeal to the chairmen of the committees involved.

6. Later, I called Robert Hull, Department of State, and learned that the Department also had been requested to submit similar proposed amendments to the Foreign Service Retirement Act to BOB.



Assistant Legislative Counsel

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Journal - Office of Legislative Counsel
Tuesday - 13 May 1969

Page 2

25X1 6. [] Victor Zafra, Bureau of the Budget, called Mr. Maury to request an Agency report on the legislative proposals to transfer credits to social security when eligibility is not vested under federal staff retirement systems and to guarantee benefits under federal staff retirement systems at levels at least as high as social security. He explained that the report is urgently needed and requested that we get in touch with Mr. Levine, General Counsel's office, HEW, if we have any questions.

25X1 7. [] (LLM) Called Miss Nancy Lee, in the office of Senator Warren G. Magnuson (D., Wash.), concerning her earlier inquiry on the home of record of a former Agency employee (see Journal of 8 May). I explained that Miss [] had been retired in 1959 and that we were checking with Civil Service to determine if they show an address other than []

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25X1 8. [] The transcript of the Director's testimony before the Senate Foreign Relations Subcommittee on International Organizations and Disarmament Affairs of 23 April was forwarded to the Committee for their use and was returned at the end of the day. Late in the afternoon, Mrs. McLaughlin called and requested that the transcript be returned tomorrow, 14 May for Committee use.

25X1 9. [] In response to his call of yesterday, I advised Mr. Bruce Merkle, in the office of Representative William G. Bray, that the employment application of Miss [] who was interviewed on 7 May, is awaiting her submission of long forms. Merkle thanked me for the advice and indicated he would notify [] to return the applications provided as soon as possible.

cc:
Ex/Dir-Compt
O/DDCI DD/I DD/S
DD/S&T OPPB EA/DDP

JOHN M. MAURY
Legislative Counsel

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